

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, FINANCE, AND ACCOUNTABILITY
TODD RUSSELL PLATTS, CHAIRMAN



OVERSIGHT HEARING:
OMB's Financial Management Line of Business Initiative
Are We Ready?

Wednesday, March 15, 2006, 3:00 PM
2247 Rayburn House Office Building

OPENING STATEMENT OF CHAIRMAN PLATTS

In 2004, the Office of Management and Budget announced the creation of its Lines of Business initiative. This program was designed to consolidate duplicative functions across the Federal government and ultimately save taxpayer dollars by using a shared services model to provide “back-office” functions. While the concept of a shared service model has merit, we want to use this hearing today to discuss several considerations and concerns with respect to this initiative. The hearing will also provide OMB with a chance to clarify its guidance to Federal agencies and give the Committee a chance to hear from outside experts and private sector stakeholders. This hearing will provide a very important dialog on this issue.

Among the concerns that we will discuss today are timing issues, contractual relationships between host and customer agencies, the current state of Federal financial management and whether we are poised to make effective use of the shared service model. We will also examine the Center of Excellence concept. It is important to note that of the four COEs, only one has received a clean audit opinion with no material weaknesses or reportable conditions and is compliant with the Federal Financial Management Improvement Act of 1996.

If this initiative is to be successful, we must ensure that all stakeholders are fully informed and that the user community is ready, willing, and able to embrace this proposal. Further, the Center of Excellence concept should advance the goals of the Chief Financial Officers Act and FFMIA – strategic financial management, timely information for program managers, and effective stewardship.

Our witnesses today will provide the Subcommittee with insight on the creation of Centers of Excellence and how Federal Agencies can best continue to improve their financial management and reporting. We are pleased to have two panels of witnesses today. On the first panel will be The Honorable Dr. Linda Combs, Controller at the Office of Federal Financial Management in the Office of Management and Budget. Dr. Combs will be accompanied by Ms. Karen Evans, Administrator for the Office of Electronic Government and Information Technology at the Office of Management and

Budget for the question and answer period. Our second panel will include Mr. Joseph Kull, Partner at PricewaterhouseCoopers LLP, Mr. John Marshall, Vice President at CGI Financial, and Mr. Clifton A. Williams, Partner at Grant Thornton LLP. I look forward to the testimony of each of our witnesses.